



State of  
Tennessee

Governor's Office of  
Diversity Business Enterprise

# ANNUAL REPORT

Fiscal Year 2011 - 2012



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NASHVILLE, TENNESSEE 37243



STATE OF TENNESSEE  
DEPARTMENT OF GENERAL SERVICES

STEVEN G. CATES  
COMMISSIONER

BILL HASLAM  
GOVERNOR

December 31, 2012

The Honorable Bill Haslam, Governor of Tennessee, and  
Members of the Tennessee General Assembly  
First Floor, State Capitol  
Nashville, TN 37243

Dear Governor Haslam and Members of the Tennessee General Assembly:

Tennessee Code Annotated §12-3-801(a) through 808, *et seq.* known as the "**Tennessee Minority-Owned, Woman-Owned and Small Business Procurement and Contracting Act**" requires the Chief Procurement Officer of the Department of General Services to report annually to the Governor and each member of the General Assembly concerning the awarding of purchases to minority-owned, woman-owned, service-disabled veteran owned, and small business enterprises. We are excited to present an update from the Governor's Office of Diversity Business Enterprise (GoDBE) of the highlights and program accomplishments for the statewide diversity program for fiscal year 2011-12.

As a service organization, we strive to support each state agency and department by assisting them in reaching their agency internal goals by maximizing opportunities for diversity business enterprises in the State of Tennessee's procurement opportunities. The Go-DBE staff has met with every state agency and department, including the University of Tennessee and the Tennessee Board of Regents, to assess their opportunities for achieving diversity in state-funded procurement opportunities and capital projects.

As required by recent legislation, each state agency has named a department representative as a small business liaison. These representatives will assist the Governor's Office of Diversity Business Enterprise in their role to reach out to the community to diversity business enterprises seeking procurement opportunities with the State of Tennessee.

Over the past year, the Governor's Office of Diversity Business Enterprise has increased our community outreach program by participating in numerous outreach efforts and by working with such agencies as the Small Business Advocate under direction of the Comptroller of the Treasury, as well as numerous other agencies. Our efforts have resulted in a 31.06 percent increase in diversity spend to certified diversity businesses over the previous fiscal year.

Presented herein is the annual report on purchases and contract awards for fiscal year 2011-12.

Sincerely,

A handwritten signature in blue ink, reading "Jessica Robertson", is written over a horizontal line.

Jessica Robertson  
Chief Procurement Officer

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## EXECUTIVE SUMMARY

### Mission Statement

To coordinate the state's efforts to facilitate greater participation by minority owned, woman owned, service-disabled veteran and small businesses in the state's procurement and contracting opportunities. The office works closely with the major procurement entities within state government; the Departments of Finance & Administration, General Services, Transportation and the State Building Commission to ensure an optimal level of participation by diversity businesses in state contracting activity.

### Vision

*To be the best program in the nation for expanding meaningful economic opportunities to business enterprises owned by Tennessee small businesses, including minority, women and service-disabled veteran owned businesses.*

### History

Previous programs assisting minority owned, woman owned and small businesses desiring to do business with state departments and agencies did little to increase participation in state procurement and contracting activity. The maze of varied and decentralized procurement processes continued to be complicated, confusing and discouraging to diversity businesses. A recent disparity study revealed that the state of

Tennessee must do more to ensure that diversity businesses are given a fair and equal opportunity to participate in the state of Tennessee's procurement of goods and services. A strong commitment to diversity businesses participating in the state's contracting processes remains at the forefront of initiatives to stimulate our economy, and to reach into our community to increase participation by minority owned, woman owned, service-disabled veteran owned and small businesses.

### Creation of the Governor's Office of Diversity Business Enterprise

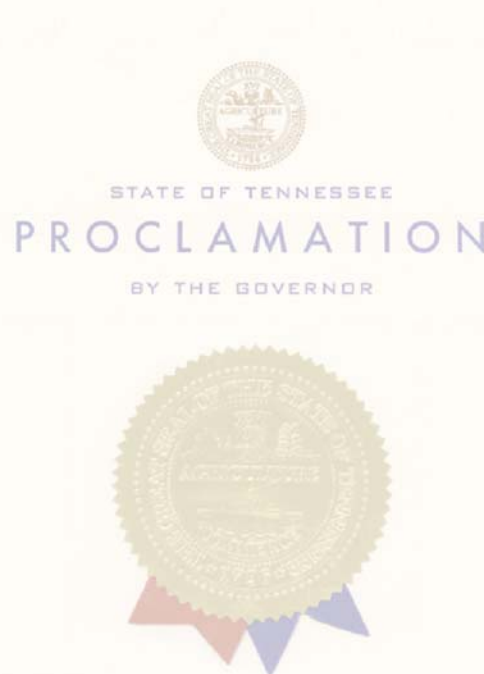
The Governor's Office of Diversity Business Enterprise (Go-DBE) was created by Executive Order Number 14, on December 8, 2003, in an effort to expand economic opportunities for small businesses and businesses owned by minorities and women. This office is charged with coordinating and directing the Executive Branch's efforts to increase participation by small businesses and businesses owned by minorities, women, service-disabled veteran owned businesses in the state's procurement and contracting processes.

The Go-DBE office works with all state departments and agencies, to assist them in achieving their internal goals for participation with businesses with designations in the four categories.

The program was designed with taxpayers in

mind, to provide meaningful opportunities to successfully compete for the state of Tennessee's expenditure of goods, supplies, equipment, personal and professional services, including architecture, engineering, design and construction on capital projects.

The Go-DBE office is the central point of contact to assist Tennessee small businesses and business enterprises owned by minorities, women and service-disabled veterans desiring to participate in the state of Tennessee's procurement and contracting activity.



## EXECUTIVE SUMMARY

### Authority

The Governor's Office of Diversity Business Enterprise was codified in April 2004 upon passage of the "Tennessee Minority Owned, Woman Owned and Small Business Procurement and Contracting Act". Tennessee Code Annotated §12-3-801 through 808 requires the Governor's Office of Diversity Business Enterprise to:

- Compile and maintain a comprehensive list of minority owned, woman owned, service-disabled veteran owned and small businesses to provide potential sources for various goods and services to state agencies and departments.
- Assist minority owned, woman owned, service-disabled veteran owned and small businesses in complying with state procurement and contracting procedures and requirements.
- Examine requests from state agencies for the purchase of materials, supplies, equipment or services to help determine which invitations to bid and requests for proposals may offer increased opportunities for minority owned, woman

owned, small businesses; and service-disabled veteran owned businesses.

- Make recommendations to appropriate state agencies for the simplification of procurement and contract specifications and terms in order to increase the opportunities of participation by minority owned, woman owned, and service-disabled veteran owned small businesses.

All departments, agencies, boards and commissions are required to fully cooperate with the Governor's Office of Diversity Business Enterprise to provide information regarding upcoming procurement

opportunities, make periodic reports on diversity business participation and actively solicit bids and proposals from small, minority, woman owned and service-disabled veteran owned businesses.

In addition, each department is required to establish agency level internal goals for the percentage of participation for small, minority owned, woman owned and service-disabled veteran owned businesses.



GOVERNOR'S OFFICE OF  
DIVERSITY BUSINESS ENTERPRISE  
2012 ANNUAL REPORT

## EXECUTIVE SUMMARY

### Recent Legislative Changes

**P**ublic Chapter 1135 amended Tennessee Code Annotated Title 12, Chapter 3, Part 8 by adding Tennessee Small Business Classification. The amendment requires the Governor's Office of Diversity Business Enterprise to administer the provisions of this part.

The amendment created a new definition of small business. Effective April 2012, the definition for Small Business Enterprises expanded to reach thousands more Tennesseans who meet the eligibility guidelines to be included as a part of the program. The new definition defined as Tennessee small business means ***a business that is a continuing, independent, for profit business which performs a commercially useful function with residence in Tennessee and has total gross receipts of no more than ten (\$10) million dollars averaged over a three-year period and employs no more than 30 employees on a full time-basis.***

Effective April 2, 2012, each state agency was required to designate a staff person to assist the Governor's Office of Diversity Business Enterprise with coordinating the agency's efforts to utilize Tennessee small businesses.

This information was captured as of July 1, 2012.

Below is a list by state agency and their designated small business liaison:

Department	Name	Phone Number	E-mail Address
Agriculture	Peggy Naifeh	615-837-5300	<a href="mailto:Peggie.naifeh@tn.gov">Peggie.naifeh@tn.gov</a>
Children's Services	Suzanne G. White	615-741-0581	<a href="mailto:Suzanne.g.white@tn.gov">Suzanne.g.white@tn.gov</a>
Commerce & Insurance	Angela Lay	615-741-4703	<a href="mailto:Angela.lay@tn.gov">Angela.lay@tn.gov</a>
Comptroller of Treasury	Karen B. Hale	615-401-7742	<a href="mailto:Karen.B.Hale@cot.tn.gov">Karen.B.Hale@cot.tn.gov</a>
Economic & Community Development	Ivy Brown	615-741-8548	<a href="mailto:Ivy.brown@tn.gov">Ivy.brown@tn.gov</a>
Education	Kristen McKeever	615-532-8539	<a href="mailto:Kristen.McKeever@tn.gov">Kristen.McKeever@tn.gov</a>
Environment & Conservation	Bill Amonett	615-532-0334	<a href="mailto:Bill.amonett@tn.gov">Bill.amonett@tn.gov</a>
Finance and Administration	Jane Chittenden	615-741-1624	<a href="mailto:Jane.Chittenden@tn.gov">Jane.Chittenden@tn.gov</a>
Financial Institutions	Tommy Pendergrass	615-232-1013	<a href="mailto:Tommie.pendergrass@tn.gov">Tommie.pendergrass@tn.gov</a>
Health	Ben Riley	615-741-1614	<a href="mailto:Ben.riley@tn.gov">Ben.riley@tn.gov</a>
Health Care Finance and Administration (TennCare)	Alma Chilton	615-507-6384	<a href="mailto:Alma.chilton@tn.gov">Alma.chilton@tn.gov</a>
Human Resources	Brigitte Tubbs-Jones	615-532-8853	<a href="mailto:Brigitte.Tubbs-Jones@tn.gov">Brigitte.Tubbs-Jones@tn.gov</a>
Human Rights Commission	Ky Sychareuene	615-523-7614	<a href="mailto:Ky.sychareuene@tn.gov">Ky.sychareuene@tn.gov</a>
Human Services	Basil Dosunmu	615-313-4705	<a href="mailto:basil.dosunmu@tn.gov">basil.dosunmu@tn.gov</a>
Labor and Workforce Development	Ron Jones	615-532-8671	<a href="mailto:Ron.Jones@tn.gov">Ron.Jones@tn.gov</a>
Military	George Street	615-313-0691	<a href="mailto:George.street@tn.gov">George.street@tn.gov</a>
Revenue	Julie Blair	615-532-8940	<a href="mailto:Julie.blair@tn.gov">Julie.blair@tn.gov</a>
Safety	Gail Camp	615-251-5166	<a href="mailto:Gail.camp@tn.gov">Gail.camp@tn.gov</a>
Secretary of State	Mona Hart	615-741-2819	<a href="mailto:Mona.hart@tn.gov">Mona.hart@tn.gov</a>
Tennessee Advisory Commission on Intergovernmental Relations	Michael Timme	615-741-3483	<a href="mailto:Michael.Timme@tn.gov">Michael.Timme@tn.gov</a>
Tennessee Bureau of Investigation	Edward B. Jones	615-344-4300	<a href="mailto:Edward.b.jones@tn.gov">Edward.b.jones@tn.gov</a>
Tennessee Board of Regents	Angela Gregory Flynn	615-366-4436	<a href="mailto:Angela.flynn@tbr.edu">Angela.flynn@tbr.edu</a>
Tennessee Commission on Aging & Disability	Lauren Brown	615-741-2056 x 115	<a href="mailto:Lauren.Brown@tn.gov">Lauren.Brown@tn.gov</a>
Tennessee Corrections Institute	JoAnn Pogue	615-253-4456	<a href="mailto:Joanne.Pogue@tn.gov">Joanne.Pogue@tn.gov</a>
Tennessee Higher Education Commission	Stephanie Strong	615-253-7467	<a href="mailto:stephanie.strong@tn.gov">stephanie.strong@tn.gov</a>
Tennessee Housing Development Agency	Linda Jones	615-815-2058	<a href="mailto:ljones@thda.org">ljones@thda.org</a>
Tennessee Wildlife Resource Agency	Fred Egger	615-781-6604	<a href="mailto:fred.egger@state.tn.gov">fred.egger@state.tn.gov</a>
Transportation	Gary Bryant	615-741-0699	<a href="mailto:Gary.bryant@tn.gov">Gary.bryant@tn.gov</a>
Treasury	Josh Stites	615-741-2956	<a href="mailto:Josh.stites@tn.gov">Josh.stites@tn.gov</a>
Tourist Development	Nancy Hargiss-Tatlock	615 741-9065	<a href="mailto:nancy.hargiss-tatlock@tn.gov">nancy.hargiss-tatlock@tn.gov</a>
University of Tennessee	Samantha Drenner-Johnson	865-974-8286	<a href="mailto:samantha@tennessee.edu">samantha@tennessee.edu</a>
Veterans Affairs	LaDonna Copeland	615-253-8972	<a href="mailto:Ladonna.copeland@tn.gov">Ladonna.copeland@tn.gov</a>

## EXECUTIVE SUMMARY

### Program Eligibility

#### Minority Business Enterprise (MBE)

A minority owned business that is a continuing, independent, for profit business which performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more minority individuals who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race or ethnic background. Recognized ethnic minorities are as follows:

##### African American

A person having origins in any of the Black racial groups of Africa.

##### Hispanic American

A person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.

##### Native American

A person having origins in any of the original peoples of North America.

##### Asian American

A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

#### Woman Business Enterprise (WBE)

A woman owned business that is a continuing, independent, for profit business which performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more women; or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more women and whose management and daily business operations are under the control of one (1) or more women.

#### Service-Disabled Veteran Business Enterprise (SDVBE)

Tennessee Service-Disabled Veterans include any person who served honorably on active duty in the Armed Forces of the United States, with at least a twenty percent (20%) disability that is service-connected, meaning that such disability was incurred or aggravated in the line of duty in the active military, naval or air service. "Tennessee service-disabled veteran owned business" means a service-disabled veteran owned business that is a continuing, independent, for profit business located in the state of Tennessee that performs a commercially useful function, and:

1. Is at least fifty-one percent (51%) owned and controlled by one (1) or more service-disabled owned veterans;
2. In the case of a business solely owned by (1) service-disabled veteran and such person's spouse, is at least fifty percent (50%) owned and controlled by the service-disabled veteran; or
3. In the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more service-disabled veteran and whose management and daily business operations are under the control of one (1) or more service-disabled veteran.





## EXECUTIVE SUMMARY

### Program Eligibility...cont.

#### Small Business Enterprise (SBE) definition and guidelines:

##### Small Business Guidelines

The Governor's Office of Diversity Business Enterprise establishes small business guidelines based on industry size standards. The criteria guidelines are required to be met in order for a business to be considered a small business enterprise and to receive certification as a Small Business Enterprise (SBE). The annual sales receipts and the number of employees indicate the maximum allowed for a small business concern by the state of Tennessee definition.

#### Small Business Definition:

*"Tennessee small business" means a business that is a continuing, independent, for profit business which performs a commercially useful function with residence in Tennessee and has total gross receipts of no more than ten million dollars (\$10,000,000) averaged over a three-year period and employs no more than thirty (30) employees on a full time basis.*



INDUSTRY	CRITERIA
Agriculture / Forestry and Fishing	\$10 Million & no more than 30 Employees
Architectural / Design / Engineering	\$10 Million & no more than 30 Employees
Construction	\$10 Million & no more than 30 Employees
Educational	\$10 Million & no more than 30 Employees
Finance / Insurance and Real Estate	\$10 Million & no more than 30 Employees
Information Systems / Technology	\$10 Million & no more than 30 Employees
Manufacturing	\$10 Million & no more than 30 Employees
Marketing / Communications / Public Relations	\$10 Million & no more than 30 Employees
Medical / Health Care	\$10 Million & no more than 30 Employees
Mining	\$10 Million & no more than 30 Employees
Retail Trade	\$10 Million & no more than 30 Employees
Service Industry	\$10 Million & no more than 30 Employees
Transportation / Commerce / Utilities	\$10 Million & no more than 30 Employees
Wholesale Trade	\$10 Million & no more than 30 Employees

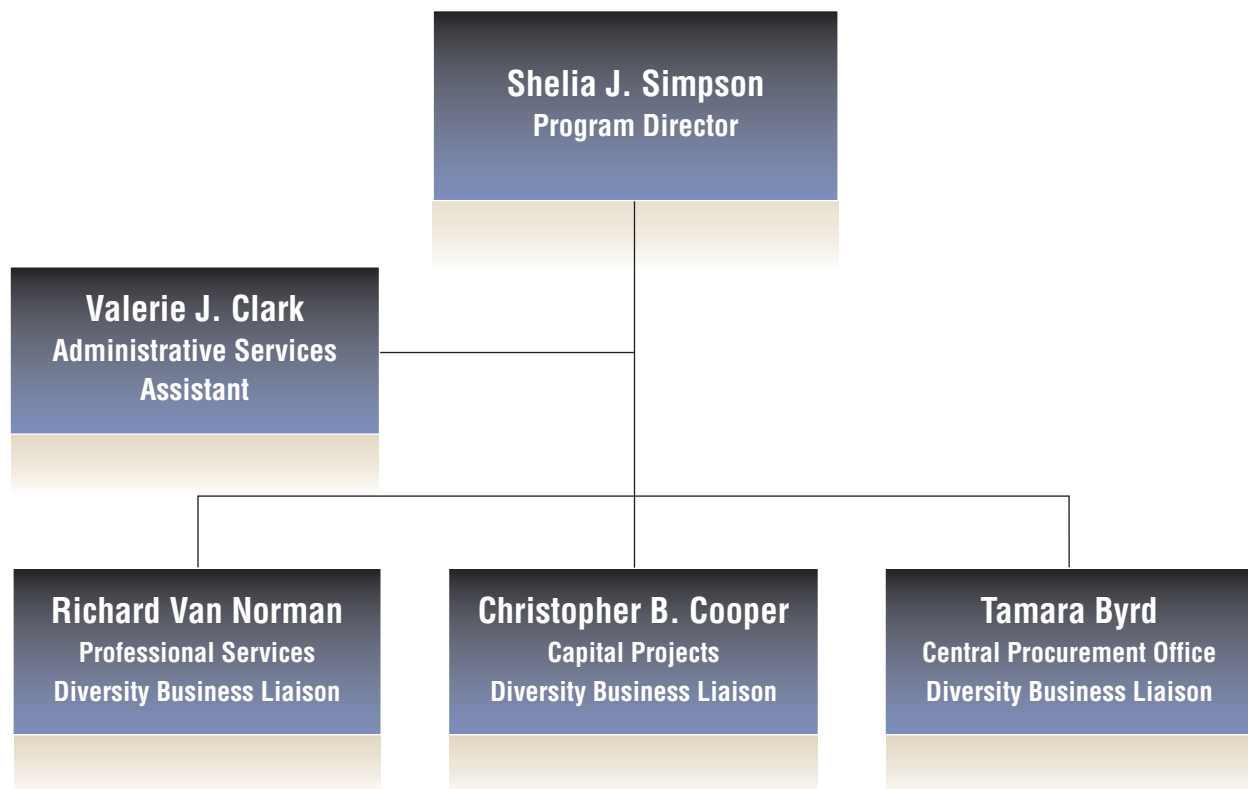


## EXECUTIVE SUMMARY

### Department of General Services Governor's Office of Diversity Business Enterprise

June 30, 2012

#### Organizational Chart



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## **PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS**

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## PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

### State of Tennessee Diversity Business Enterprise Purchases and Contract Awards

The Governor's Office of Diversity Business Enterprise is required by Tennessee Code Annotated §12-3-801 – 808 to monitor the purchase of goods, supplies, equipment, professional service, construction, engineering, design and all other contract awards and purchases made to certified diversity businesses by state agencies and departments. Purchases and contract awards to certified diversity business enterprises for fiscal year 2011-12 increased to **\$242,016,100.84**, a 31.06% percent increase over the previous fiscal year. (See Chart No. 1)

Chart 2 reflects the Top Dollar Awards of the number of businesses receiving awards over fifty-thousand \$50,000 dollars. The number of businesses receiving awards over five million dollars increased by two (2) businesses. The number of businesses receiving contract awards from \$1 - \$5 million increased by five businesses. The most significant category where an increase was achieved is between the ranges of \$100,000 - \$500,000. Businesses receiving contracts and/or purchase orders in this category increased from 54 (last year's report) to 78 businesses. This represents a 44% increase in the number of awards between one hundred and five hundred thousand dollars. This is encouraging and we commend those agencies and departments that commit to diversity participation for aggressively pursuing their agency internal goals.

Chart 1

#### Awarded Diversity Dollars From FY04-05 to FY11-12

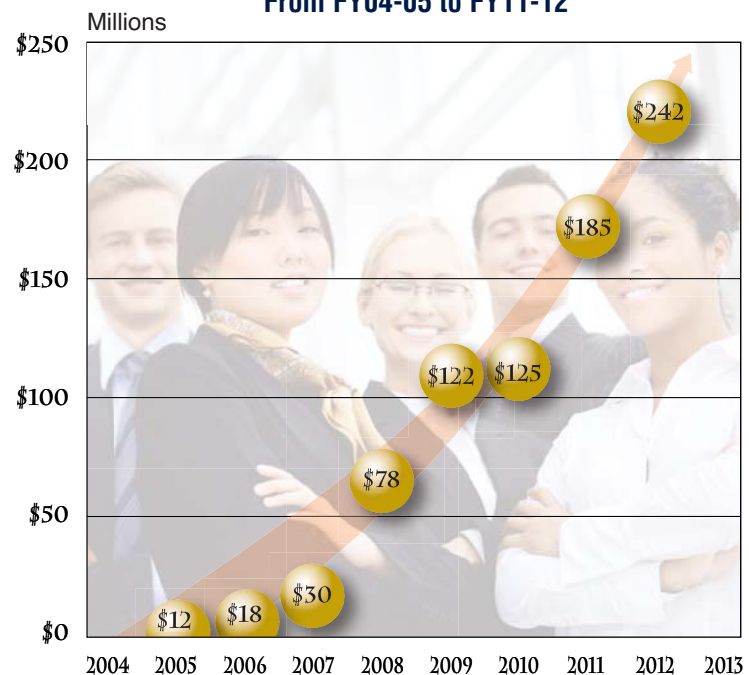


Chart 2

#### Top Dollar Awards No. of Businesses Above \$50K in FY 11-12

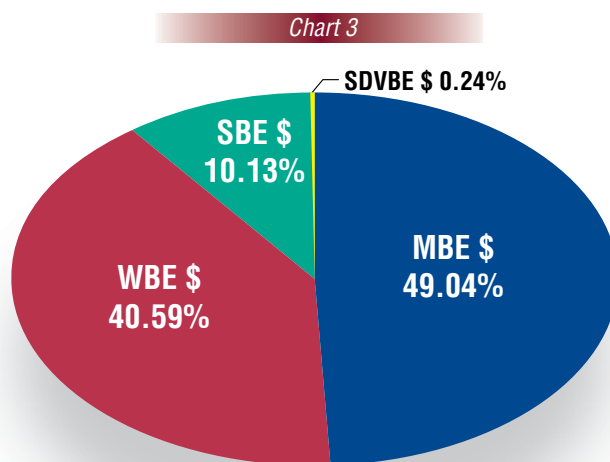




## PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

### Diversity Business Awarded Dollars by Sub-Category

Chart No. 3 reflects the past fiscal year awards by sub-category.



### Diversity Business Procurement Awards by Sub-category

MBE	\$ 118,678,557.16
WBE	\$ 98,227,725.68
SBE	\$ 24,525,309.37
SDVBE	\$ 584,508.63
<b>Total</b>	<b>\$ 242,016,100.84</b>

MBE (Minority Business Enterprise) WBE (Woman Business Enterprise) SBE (Small Business Enterprise)  
SDVBE (Service-Disabled Veteran Business Enterprise)

### Procurement Awards by Ethnicity

Ethnicity	MBE \$	WBE \$	SBE \$	SDVBE \$	%
African American	\$ 43,345,115.91	\$ 3,169,751.37	-	\$ 337,552.63	19.36%
Asian American	\$ 5,688,687.50	\$ 19,702.95	-	-	2.36%
Hispanic American	\$ 6,023,722.91	-	-	-	2.49%
Native American	\$ 63,621,030.84	\$ 55,480.00	-	-	26.31%
Non-Minority Women	-	\$ 94,982,791.36	\$ 62,782.88	-	39.27%
Non-Minority Male	-	-	\$ 24,462,526.49	\$ 246,956.00	10.21%
<b>Totals</b>	<b>\$118,678,557.16</b>	<b>\$ 98,227,725.68</b>	<b>\$24,525,309.37</b>	<b>\$584,508.63</b>	<b>100.00%</b>

## PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

### Dollars Awarded to Minority Owned Businesses by Ethnicity

The following businesses are commended for their success in doing business with the state during fiscal year 2011-12. There is no doubt that diversity businesses in the state of Tennessee have had some challenges during these extremely difficult economic times.

Businesses are required to raise their standards in order to be successful at doing business with the state. Many firms may be required to adhere to specifications and conditions other than those traditionally found in commercial practice. The firms listed have persevered through all obstacles and secured contracts with state agencies and departments. The following list represents a few of the top certified firms with their awarded state dollars during the fiscal year.

### Dollars Awarded to African American Owned Businesses

Southeastrans, Inc. ....	\$28,760,571.00
Fulfillment Tender Care.....	\$2,009,508.00
Empire Chemical Supply Co., Inc. ....	\$1,969,052.00
B. Miller Recycling, LLC .....	\$1,800,000.00
AlphaMaxx Healthcare, Inc. ....	\$1,558,507.00
Zycron, Inc. ....	\$1,393,307.00
Southeastern Constructors, LLC .....	\$1,243,175.00
Diamond Contract Services, Inc. ....	\$1,183,824.00
Pinnacle Construction Partners, Inc. ....	\$974,689.00
Boulton Enterprises, Inc. ....	\$753,685.00
RLCL Acquisition, LLC .....	\$555,165.00
Manufacturers Industrial Group, LLC .....	\$492,660.00
Thomas Consultants, Inc.....	\$421,239.00
Gipson Mechanical Contractors, Inc. ....	\$365,836.00
Sunago .....	\$337,553.00
Arvie Personnel.....	\$231,492.00
Stell, Inc. ....	\$214,360.00
General Moving Company, Inc.....	\$207,288.00
ShearsPoint, Inc. ....	\$205,962.00

### Dollars Awarded to Asian American Owned Businesses

NP Ventures, Inc. dba Global eProcure .....	\$2,006,136.00
TRC Worldwide Engineering, Inc.....	\$1,055,343.00
Ikaso Consulting, LLC .....	\$584,694.00
Avaza Language Services Corporation .....	\$564,007.00
Medgluv, Inc.....	\$371,136.00
Crystal Steel Fabricators, Inc.....	\$336,930.00
GISbiz, Inc. ....	\$298,528.00
Majestic Systems Integration Co., Inc. ....	\$148,548.00
Acro Services Corporation .....	\$144,895.00
Tristar Digital Connections, LLC .....	\$93,140.00

### Dollars Awarded to Hispanic American Owned Businesses

RJ Abstract & Translation.....	\$5,615,614.00
Guy Brown Management, LLC.....	\$2,921,242.00
AllPro Staffnet, LLC.....	\$308,329.00
Environmental Safety & Health, Inc. ....	\$45,741.00
Firestop Logistics, Inc. ....	\$32,157.00
Chaparral Pontiac Buick GMC, Inc.....	\$16,952.00

### Dollars Awarded to Native American Owned Businesses

Flintco, Inc.....	\$63,298,241.00
Scientific Sales, Inc. ....	\$144,147.00
Edwards Supply Co., Inc. ....	\$93,692.00
Behavioral Outreach Services, Inc. ....	\$75,452.00
Regency Construction Ltd., Inc. ....	\$55,480.00
Andrew Sudbrock/Nashville Natives .....	\$9,500.00

NOTE: The above lists represent just a few of the total list of firms by ethnicity as not all firms could be listed.

## PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

### Registration

The chart below depicts the number of registrations processed by Go-DBE during fiscal year 2011-12 and the previous seven years.

Diversity businesses seeking certification with the Go-DBE will register in Edison as the first step in the certification process. This ensures all certified businesses are connected to the appropriate sourcing bid list for proper notification of procurement opportunities.

Citizens of the state of Tennessee are afforded notification and the opportunity to participate in mainstream procurement processes in order to compete for the purchase of goods, supplies, equipment, services and construction related projects.

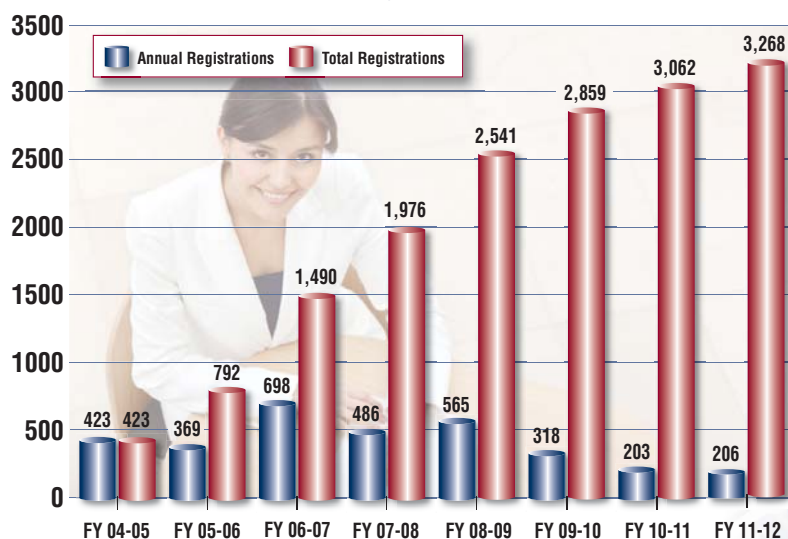
Businesses that register with the Go-DBE office will receive electronic notification of certification for which they have properly registered.

Additionally, the Go-DBE has implemented the new internet based electronic TN Go-DBE System for application for certification. Diversity businesses may access the TN Go-DBE System by visiting the Go-DBE web site at [www.tn.gov/diversity](http://www.tn.gov/diversity) and clicking on <https://tn.diversitysoftware.com>

The following chart shows the number of registrations processed for certification since the program inception and the increase each year.

Chart 4

### Registrations



Registration



## PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

### Certification

The Governor's Office of Diversity Business Enterprise certifies diversity businesses as minority owned, woman owned, service-disabled veterans or small business enterprises. Firms desiring certification as a MBE, WBE, SDVBE must substantiate they are independently owned and controlled in the day-to-day operation of the business. Owners must submit documentation to substantiate that at least 51% ownership of the stock, management and control of the daily operation of the business by one or more minority, women, service-disabled veteran individuals as defined by TCA §12-3-801(3).

Each business that meets the eligibility guidelines will receive a certificate which includes their certification number and effective date of certification. Certifications issued by Go-DBE are valid for a period of three (3) years. Firms desiring to continue certification with the Go-DBE office are required to renew their certification at the end of the three (3) year period.

#### Number of Certified Businesses FY 2011-12

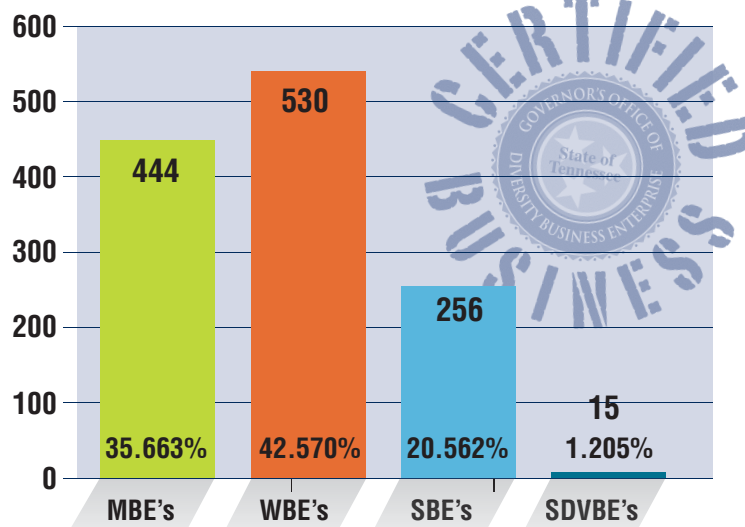
MBE's	444	35.663%
WBE's	530	42.570%
SBE's	256	20.562%
SDVBE's	15	1.205%
<b>Total</b>	<b>1,245</b>	<b>100.000%</b>

Firms desiring certification as a small business must substantiate they are independently owned and operated and submit documentation regarding their annual sales volume and number of full time employees.

Go-DBE recognizes valid certifications by other certification agencies such as the U. S. Small Business Administration, Minority Purchasing Councils, the Department of Transportation and the National Association of Women Business Owners along with other state and local minority certification agencies.

Chart 5

#### Certified Diversity Businesses



## PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

### Certified Businesses Across State

Go-DBE wanted to take a look at how the number of certified businesses are positioned throughout the state of Tennessee. This was of particular interest to see the effects the recession has had on minority, women owned, service-disabled and small business enterprises.

The following map shows the population of certified businesses by county.

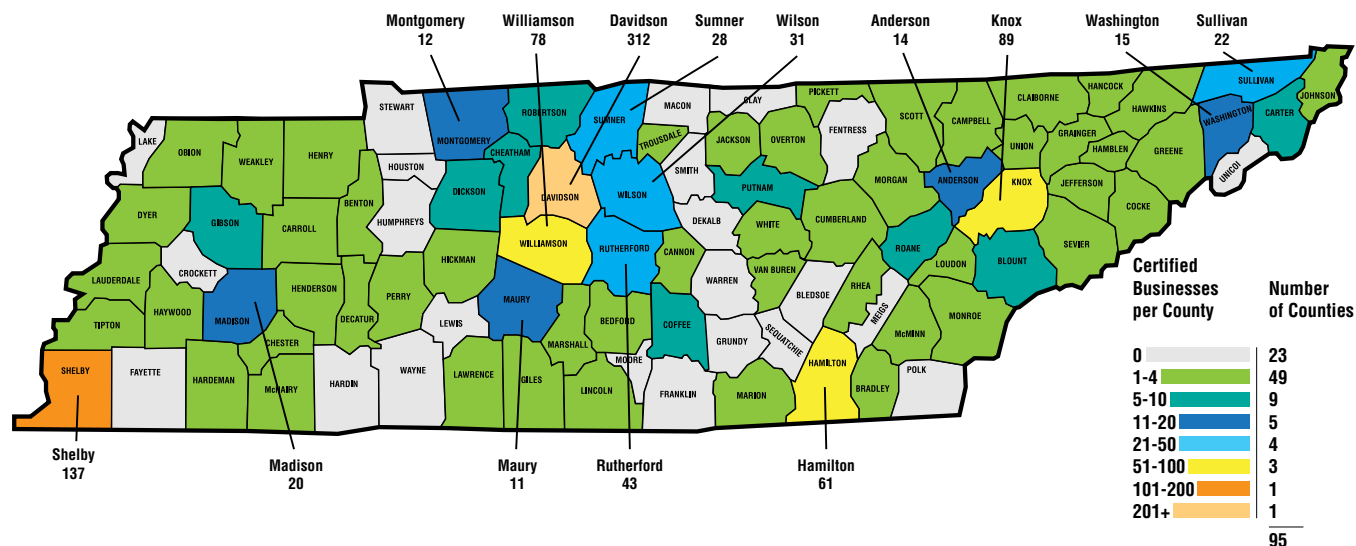
As it turns out, the layout of the population of diversity business is somewhat as

expected. Davidson County, location of the state capital, has the highest number of certified firms at 312 certified businesses. This is typical, considering a large portion of the opportunities may be identified and contained in close proximity to the state capital.

We also identified the other three grand regions of the state; Shelby County – Memphis has the next highest number of certified businesses at 137, Knox County for

the city of Knoxville has 89 certified businesses and Hamilton County for the City of Chattanooga contained 61 certified businesses. Other notable counties within the state were Williamson with 78 certified businesses, Rutherford with 43 certified firms, Wilson at 31 certified firms and Sumner with 28 certified businesses.

In total, there were 72 counties with at least one (1) certified business.



## PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

### Certified Minority-Owned Businesses by Tennessee Region

Taking it a step further, we wanted to look at the number of certified minorities by region. Again, Middle TN has the highest concentration of certified minority owned businesses coming in at two hundred and fifteen (215) firms. West Tennessee is the second highest in the number of certified minority owned businesses at one hundred and six (106) businesses. Finally, East Tennessee has the least number of certified minority owned businesses at seventy-four (74) businesses.

Chart 6

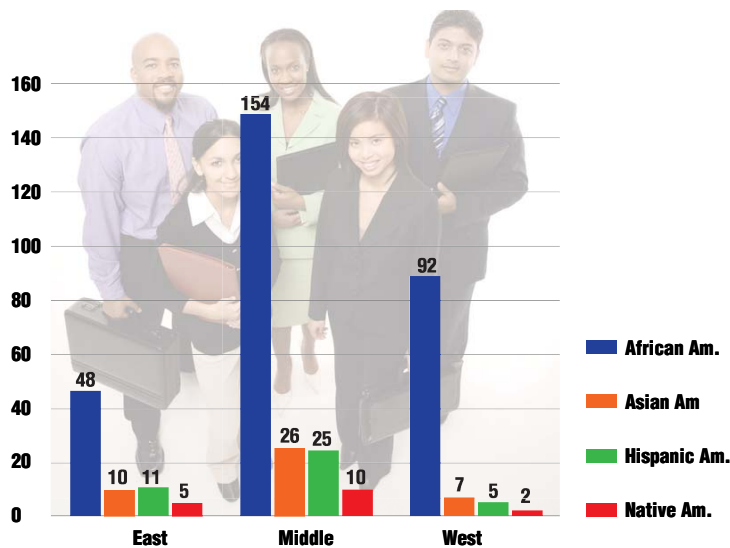
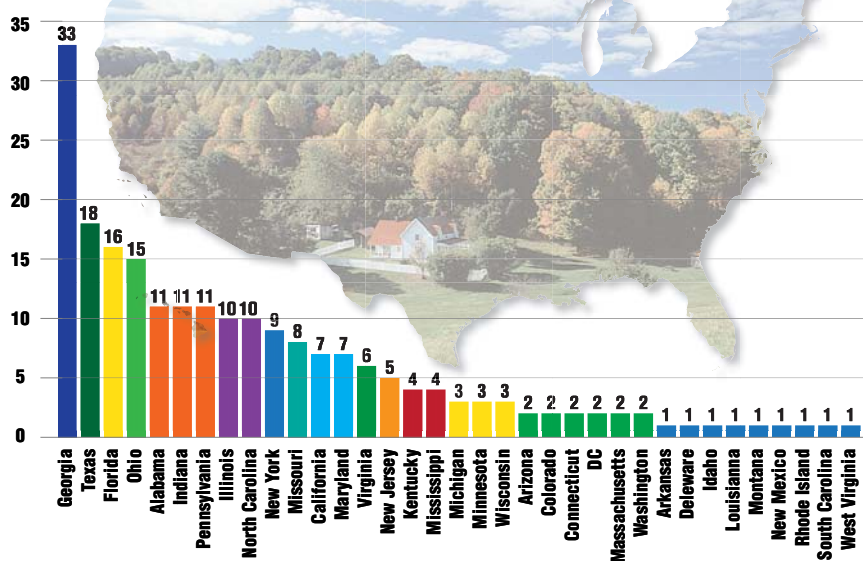


Chart 7

### Out of State Businesses Certified in The Governor's Office of Diversity Business Enterprise



34 States and District of  
Columbia with Businesses  
Certified with The Governors  
Office of Diversity Business  
Enterprise



## PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

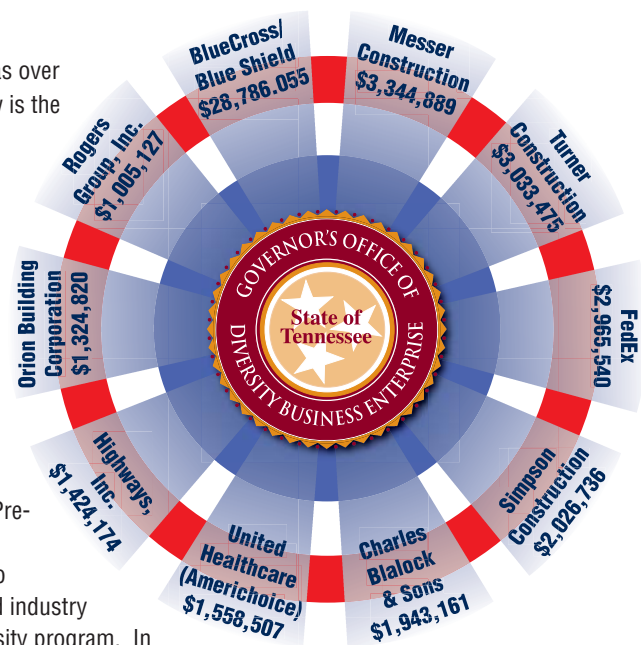
### Prime Contractors with Sub-Contracting Opportunities

The chart at right reflects the top majority owned firms that sub-contracted with certified diversity business enterprises from the Go-DBE directory. The dollar value is what sets these firms apart. Each of the adjacent companies is to be congratulated for utilizing sub-contractor services greater than \$1 million dollars during the past fiscal year.

We've found sub-contracting to be a fairly successful method in assisting state agencies in reaching their agency internal goals. This past year we noted over 50 majority owned firms partnered and utilized the Go-DBE list of certified businesses from which to partner with minority, women-owned, service-disabled veterans and small business enterprises. The total

subcontracting amount was over \$61 million dollars! Below is the list of prime and majority owned firms that have partnered with the state in our endeavor to expand opportunities to diversity business enterprises.

Each year the Governor's Office of Diversity Business Enterprise participates in numerous Pre-bid and Pre-proposal conferences. Our role is to educate state agencies and industry regarding the state's diversity program. In doing so, we encourage majority owned firms to subcontract and/or partner to include certified diversity businesses in their procurement.



### Sub-Contracting Dollars

Prime	Dollars	Prime	Dollars	Prime	Dollars
Adecco USA .....	\$231,492	Grainger .....	\$18,671	PPMI Construction .....	\$2,966
American Paper & Twine .....	\$408,000	Hardaway Construction .....	\$621,838	Rains Electric .....	\$50,839
Blackbox .....	\$317,484	Harold Coffey Construction .....	\$3,568	Robert S. Biscan & Company .....	\$255,562
Bratten Electric .....	\$163,229	HMA Contractors .....	\$10,300	Romach, Inc. ....	\$18,909
Civil Constructors .....	\$44,201	Hoilman Construction .....	\$27,063	Smith Excavating .....	\$58,241
Cook Systems, International .....	\$4,181	Jenco Construction .....	\$8,425	Summers-Taylor .....	\$431,232
Cross Gate Services .....	\$13,759	Johnson Controls .....	\$979,499	The Lane Construction Corporation .....	\$295,908
Cumberland Valley Constructors .....	\$8,300	KBM, Inc. ....	\$293,443	Twin K Construction .....	\$32,040
Data Transfer Solutions .....	\$298,528	KePro .....	\$171,844	Volunteer Bridge Construction .....	\$8,425
Dement Construction .....	\$41,831	Kone' .....	\$23,160	Wieck Construction .....	\$151,973
Edwards Construction .....	\$464,510	McKinnon Construction .....	\$9,243	Wolfe & Travis Electric .....	\$177,018
Enterprise Rent-a-Car .....	\$35,719	Merit Construction .....	\$127,752	Wood Brothers Construction .....	\$180,869
Fieldware, LLC .....	\$154,440	Mid-State Construction .....	\$28,500	Wright Brothers Construction .....	\$244,880
Ford Construction .....	\$733,871	Nashville Stationary .....	\$214,360		
General Constructors .....	\$18,791	PB Americas .....	\$131,040		

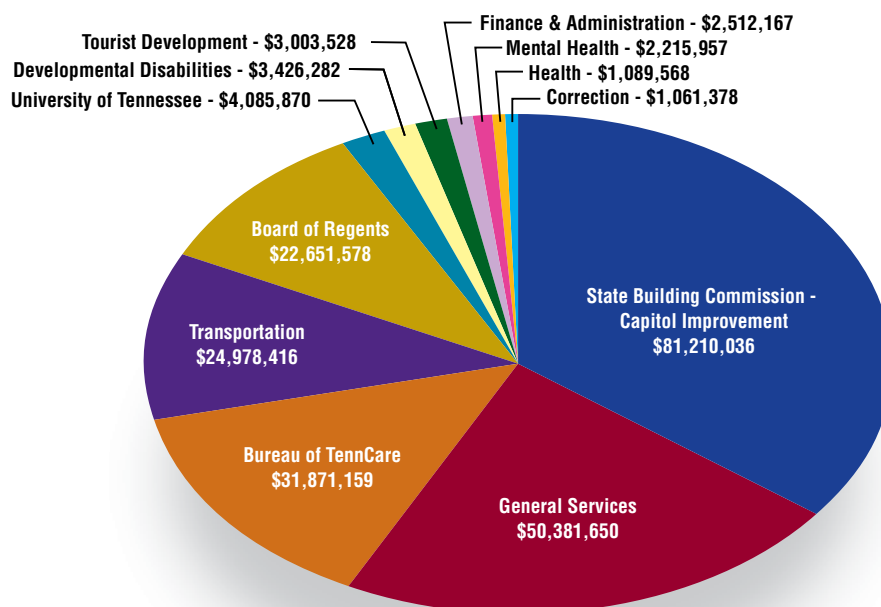
## PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

### Agencies and Departments with Diversity Participation Greater Than \$1 Million

For the past three (3) years, the agencies and departments noted here, have consistently achieved dollar amounts over one million dollars (\$1,000,000.00) with certified diversity business enterprises. Congratulations to the agencies that strive to incorporate diversity participation as part of their procurement activity.

Department	Diversity Participation
State Building Commission - Capital Improvements	\$81,210,036
General Services	\$50,381,650
TennCare	\$31,871,159
Transportation	\$24,978,416
Board of Regents	\$22,651,578
University of Tennessee	\$4,085,870
Dept. of Intellectual & Developmental Disabilities	\$3,426,282
Tourism	\$3,003,528
Finance & Administration	\$2,512,167
Mental Health & Developmental Disabilities	\$2,215,957
Health	\$1,089,568
Corrections	\$1,061,378

Chart 8



## PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

### TN Board of Regents Report on Construction Projects

The Governor's Office of Diversity Business Enterprise seeks to identify where the state of Tennessee is extending opportunities. One area we have observed over the years is the Tennessee Board of Regents. Tennessee Code Annotated T. C. A. §12-3-801-808 requires all agencies, boards and commissions to fully cooperate with the Governor's Office of Diversity Business Enterprise. Receiving a quarterly report from the Board on their diversity participation regarding their goods, supplies and equipment, we wanted to take a closer look at the Board to see how the construction related projects are inclusive of the current projects on-going at the institutions.

The Office of Facilities Development is responsible for the management, planning, design and construction process for Board of Regents Institutions. We contacted the manager of facilities development who reported just a few of their projects where he believes they are achieving diversity participation. We received the following list of contracts:

After contacting construction firms, the Board of Regents had a significant level of diversity participation in their construction projects. Overall, the Board utilized eighteen (18) certified diversity businesses directly on their construction related projects.

From the list, prime contractors - Messer, Turner Universal and Orion reported to the Governor's Office of Diversity Business Enterprise their utilization. The prime contractors utilized approximately fifteen (15) different certified diversity firms from the Go-DBE directory of certified businesses. Would we like to see more, of course? There are currently a few hundred certified diversity firms available to handle all of the subcontracting work at the universities.

We are pleased to report the findings from the Board of Regents. Overall, the Board of Regents realized \$22,651,578 with verified and certified diversity business enterprises this past fiscal year. This represented a 28% percent participation level for college institutions. This was a pleasant surprise in more than

one area. First, the reporting from prime contractors and their utilization of business enterprises owned by women, minorities, service-disabled and small business was great. Secondly, the Board of Regents had committed to diversity participation in their contracts and that they are holding their prime contractors to their commitment.

We are cultivating new and better relationships with agencies within state government to provide a true picture of the amount of business the state is conducting with business enterprises owned by minorities, women, service-disabled veteran and small business enterprises.

#### Institution

#### Project

Middle Tennessee State University .....	Science Facility
Austin Peay State University .....	Student Housing
Middle Tennessee State University .....	Ned McWherter Center
Middle Tennessee State University .....	Garage and Student Services
Tennessee Technical College .....	Training Facility
East Tennessee State University .....	Research Lab



GOVERNOR'S OFFICE OF  
DIVERSITY BUSINESS ENTERPRISE  
2012 ANNUAL REPORT

## PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

### Agency and Departmental Goals

State departments and agencies efforts to achieve diversity in contracting are monitored by the Go-DBE office. The objective is to assist state agencies and departments with increasing participation of minority owned, woman owned, service-disabled veteran owned and small businesses in their department's procurement and contracting activities. Reports are submitted to Go-DBE documenting each department's efforts for

actively soliciting bids and proposals and identifying any contracts or subcontracts awarded to diversity businesses.

Annual department or agency internal goals were established for each of the four sub-categories as required by T.C.A. §12-3-807(b); small, minority and woman owned and service-disabled veteran owned business to strive to achieve their internal goals.

In establishing these agency internal goals,

each department and agency worked closely with Go-DBE. Internal goals are based on reported levels of expenditures for the prior fiscal year. Although fewer departments and agencies were able to achieve their internal goals, the state surpassed its overall goal by 10.28%. Data compiled and reviewed by Go-DBE staff to chronicle each department's progress of actual goals achieved, is detailed below:

Department Name	Dept. No.	MINORITY		WOMEN		SMALL		SERVICE DISABLED VETERAN		Total Goal	Goal Achievement
		Goal	Result	Goal	Result	Goal	Result	Goal	Result		
Agriculture	325	2.73%	0.19%	3.19%	11.43%	10%	0.00%	0.25%	0.00%	16.17%	11.62%
Board of Regents	N/A	3%	2.60%	7%	8.06%	15%	17.44%	0.5%	0.05%	25.50%	28.15%
Children's Services	359	1%	0.36%	2%	0.32%	5.5%	0.22%	0.5%	0.00%	9.18%	0.90%
Commerce & Insurance	335	1%	1.08%	1%	0.50%	1%	0.04%	0.5%	0.00%	3.50%	1.62%
Corrections	329	2%	0.22%	2%	0.58%	2%	0.11%	0.5%	0.00%	6.50%	0.90%
Department of Intellectual & Developmental Disabilities	344	3%	1.17%	5%	16.19%	8%	0.43%	0.5%	0.00%	16.50%	17.80%
Economic & Community Development	330	2.5%	12.01%	2.73%	0.28%	2%	0.00%	0.5%	0.00%	7.73%	12.29%
Education	331	2%	0.91%	1%	0.47%	0.5%	0.01%	0.5%	0.00%	3.50%	1.39%
Environment & Conservation	327	2%	0.48%	2%	1.61%	2%	1.37%	0.5%	0.15%	6.50%	3.61%
Finance & Administration	317	1%	1.53%	1.5%	0.61%	0.5%	0.05%	0.5%	0.00%	3.50%	2.19%
Financial Institutions	336	2%	0.72%	2.28%	0.42%	1%	0.00%	0.5%	0.00%	5.78%	1.14%
General Services & FRF Facilities	321	4%	7.58%	11%	36.69%	2.0%	0.61%	0.5%	0.46%	17.50%	45.33%
Health	343	2.73%	0.17%	2.73%	0.13%	8.19%	1.20%	0.5%	0.00%	14.15%	1.51%
Health Care Finance and Administration ( <i>TennCare</i> )	318	20%	29.42%	2%	1.18%	0.5%	0.14%	0.5%	0.00%	23.00%	30.74%
Higher Education	332	2%	0.00%	2%	2.35%	2%	1.79%	0.5%	0.00%	6.50%	4.14%
Human Resources	319	13%	42.11%	8%	4.60%	20.0%	0.00%	0.5%	0.00%	41.69%	46.71%
Human Services	345	2%	0.55%	0.91%	0.33%	2%	0.01%	0.5%	0.00%	5.41%	0.89%
Labor & Workforce	337	1%	0.19%	4%	2.68%	1%	1.95%	0.5%	0.00%	6.50%	4.82%
Mental Health & Developmental Disabilities	339	2%	2.83%	9%	9.43%	2%	0.38%	0.5%	0.00%	13.50%	12.64%
Military	341	1%	0.59%	1%	0.79%	2.5%	1.72%	0.5%	0.00%	5.00%	3.11%
Revenue	347	1%	0.00%	4%	2.66%	5%	0.02%	0.25%	0.00%	10.25%	2.68%
Safety	349	2%	0.18%	2%	0.32%	2%	0.11%	2%	0.00%	8.00%	0.60%
State Building Commission - Capital Improvements	355	10%	46.05%	3%	4.84%	4%	7.96%	0.5%	0.00%	17.50%	58.85%
Tennessee Bureau of Investigation	348	1.82%	0.05%	1.82%	0.01%	8.19%	4.88%	0.5%	0.00%	12.33%	4.93%
Tennessee Department of Transportation	401-499	1.5%	0.55%	1%	1.28%	1%	0.10%	0.5%	0.00%	4.00%	1.94%
Tennessee Wildlife Resources Agency	328	2%	0.58%	2%	0.95%	10%	0.17%	0.5%	0.00%	14.50%	1.70%
Tourist Development	326	1%	0.00%	6%	14.72%	10%	12.81%	0.5%	0.00%	17.50%	27.53%
University of Tennessee	N/A	3%	3.15%	7%	9.61%	15%	55.84%	0.5%	0.14%	25.50%	68.74%
Veterans Affairs	323	1%	0.00%	3%	0.97%	10%	0.01%	1%	0.00%	15.00%	0.98%
Averages:		3.31%	5.55%	3.59%	4.79%	5.46%	3.91%	0.57%	0.03%	12.94%	14.27%

\* = Met Goal

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## **REPORTING BY STATUTORY REQUIREMENTS**

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## REPORTING BY STATUTORY REQUIREMENTS

### Governor's Office of Diversity Business Enterprise Diversity Participation Purchase Order and Contract Awards Fiscal Year 2011-2012

12-3-808(a) — The commissioner shall annually report, on or before each December 31, to the governor and to each member of the general assembly concerning the awarding of purchases to minority owned, woman owned and small businesses and the total value of awards

made during the preceding fiscal year under the provisions of this part. The commissioner shall also include in such annual report **the number, by category, of minority owned, woman owned, service-disabled veteran owned and small businesses solicited; the number of bids**

**received**, by category, from minority owned, woman owned, service-disabled veteran owned and small businesses; and the **dollar amount of purchases awarded**, by category, to minority owned, woman owned, service-disabled veteran owned and small businesses.

#### Minority Owned Business

	Number of Solicitations	Number of Bids Received	Dollar Amount of Awards
*Purchase Order Awards	5,991	2,713	\$ 8,516,422.00
<b>**Contract Awards</b>			\$118,678,557.16
Totals			\$127,194,979.16

#### Woman Owned Business

	Number of Solicitations	Number of Bids Received	Dollar Amount of Awards
*Purchase Order Awards	10,484	7,073	\$18,350,814.99
<b>**Contract Awards</b>			\$98,227,725.68
Totals			\$116,578,540.67

#### Service-Disabled Veteran Owned Business

	Number of Solicitations	Number of Bids Received	Dollar Amount of Awards
*Purchase Order Awards	403	187	\$306,692.00
<b>**Contract Awards</b>			\$584,508.63
Totals			\$891,200.63

#### Small Business

	Number of Solicitations	Number of Bids Received	Dollar Amount of Awards
*Purchase Order Awards	297,788	20,262	\$ 62,895,998.00
<b>**Contract Awards</b>			\$ 24,525,309.37
Totals			\$ 87,421,307.37

\*The above figures represents purchase order awards of non-certified firms reported by the state of TN department of General Services Central Procurement Office, University of Tennessee and the Tennessee Board of Regents.

\*\*Contract awards and payments are certified firms captured under Governor's Office of Diversity Business Enterprise program initiatives.

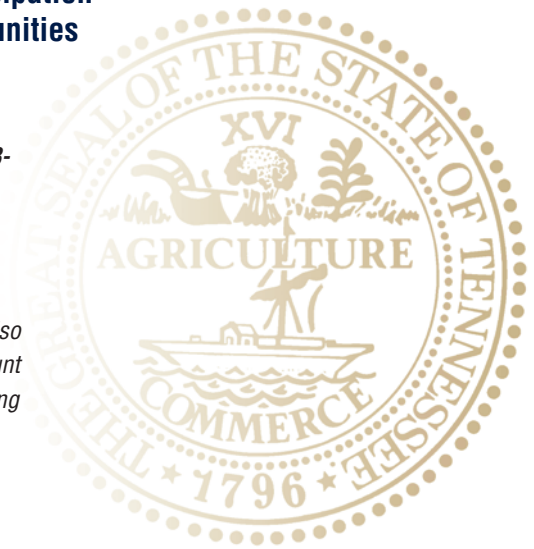
## REPORTING BY STATUTORY REQUIREMENTS

### Governor's Office of Diversity Business Enterprise Diversity Participation Minority Owned Business Solicited for State Procurement Opportunities

#### Fiscal Year 2011-2012

*12-3-808(b) — In annually reporting the information on minority owned, woman owned and small businesses, based upon information provided by vendors, the commissioner shall, in a separate section of the report, indicate the **number of businesses solicited within each of the four (4) subcategories enumerated within § 12-3-802(3), the number of bids received from each of the four (4)***

***subcategories enumerated within § 12-3-802(3), and the total number and dollar amount of all purchases awarded within each of the four (4) subcategories enumerated within § 12-3-802(3).** For purposes of evaluation, the report shall also indicate the total number and dollar amount of all purchases by all state agencies during the reporting period.*



Solicitation of Minority Businesses by Subcategories	Number of Solicitations	Number of Bids Received	Number of Awards	Dollar Amount of Awards
African American	2,963	1,091	927	\$4,312,529.00
Asian American	1,440	640	395	\$1,844,923.00
Hispanic American	721	410	361	\$1,087,067.00
Native American	953	586	475	\$1,272,303.00
<b>Totals</b>	<b>6,077</b>	<b>2,727</b>	<b>2,158</b>	<b>\$8,516,822.00</b>

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